Government of Saskatchewan

Annual Report 2003 - 2004

Saskatchewan Justice

Farm Land Security Board

104-06762/

Table Of Contents

LETTERS OF TRANSMITTAL **1**

PROGRAM RATIONALE, GOVERNING LEGISLATION AND ORGANIZATIONAL STRUCTURE **4**

Mission Statement 4

Governing Legislation 4

ORGANIZATIONAL OVERVIEW OF FARM SECURITY PROGRAMS **5**

PROGRAM OBJECTIVES, ACTIVITIES AND IMPACTS **6**

Part II - Farm Foreclosure Notices 6

Part III - Home Quarter Protection 11

Part VI - Farm Ownership 15

FINANCIAL INFORMATION **21**

Revenue 21

Expenditures 22

Letter of Transmittal

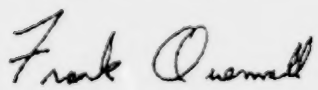
May 14, 2004

Honourable L. M. Haverstock
Lieutenant Governor of Saskatchewan

May It Please Your Honour:

I have the honour to submit to your Honour the Annual Report of the Farm Land Security Board for the year ending March 31, 2004.

Respectfully submitted,



The Honourable Frank Quennell, Q.C.
Minister of Justice and
Attorney General

Letter of Transmittal

May 14, 2004

The Honourable Frank Quennell, Q.C.
Minister of Justice and Attorney General
Room 355, Legislative Building
Regina, Saskatchewan

Dear Sir,

I have the honour to submit for your consideration the Annual Report of the Farm Land Security Board for the year ending March 31, 2004.

The past twelve months have been challenging ones in the agriculture sector. Predictable negative repercussions from poor grain production and depressed prices were augmented by the unexpected depression of livestock revenues due to the discovery of BSE in a Canadian cow. For the first time since the 1930's Realized Net Income on Saskatchewan farms was negative, and early indications are that the income malaise will continue into 2004. It is anticipated that these economic pressures will increase debt resolution activity in the farm economy and contribute to increased workload for the Farm Land Security Board in administering Notices of Intent to Foreclose under Part II of *The Saskatchewan Farm Security Act*.

Despite these concerning trends, however, springtime hopes are again high that moisture levels and commodity prices will rebound. Income support programs have eased the financial crisis for many farms which will enable their continued operation this year.

In addition to its work with farmers facing the prospect of foreclosure, the Board dealt with approximately 500 applications for exemption from statutory home quarter protection commonly to facilitate debt restructuring. The role the Board plays in facilitating credit while assisting farm families in assessing the attendant risks continues to be important and effective.

In the area of farm ownership, the Board has noted an increase in land acquisitions by Canadians since removal of restrictions on Canadian residents and entities fifteen months ago. Interest and acquisition of land by immigrants from the United Kingdom also continues to be strong, resulting in welcome new residents in rural communities throughout the province.

The Board has also continued to promote dialogue between people, agencies and government departments on the issue of conservation land acquisition within our agricultural landscape. The emergence of Conservation Easements as a mechanism of choice to protect important ecological features and valuable natural habitat has contributed to improved relations between the agriculture sector and the conservation community. Both agricultural and conservation objectives are achieved. The Board remains involved in discussions to implement a consultation process which will facilitate communication between conservation agencies and the people who live and work in the rural communities directly affected by land acquisition and management.

The attached report will illustrate varied activities of the Board, its field staff and administrators during the past year. We appreciate the opportunity to be of service.

Respectfully submitted,

Leslie Belloc-Pinder
Chair

Program Rationale, Governing Legislation and Organizational Structure

Mission Statement

It is the mission of the Farm Land Security Board to effectively deliver Saskatchewan Justice Farm Security Programs in a manner responsive to the needs of the broad rural community. These programs have been instituted to support family farms during periods of financial difficulty and to stabilize the economic and social environment in rural Saskatchewan.

Governing Legislation

Saskatchewan Justice Farm Security Programs are governed by *The Saskatchewan Farm Security Act* and its regulations. The Farm Land Security Board is established by the Act.

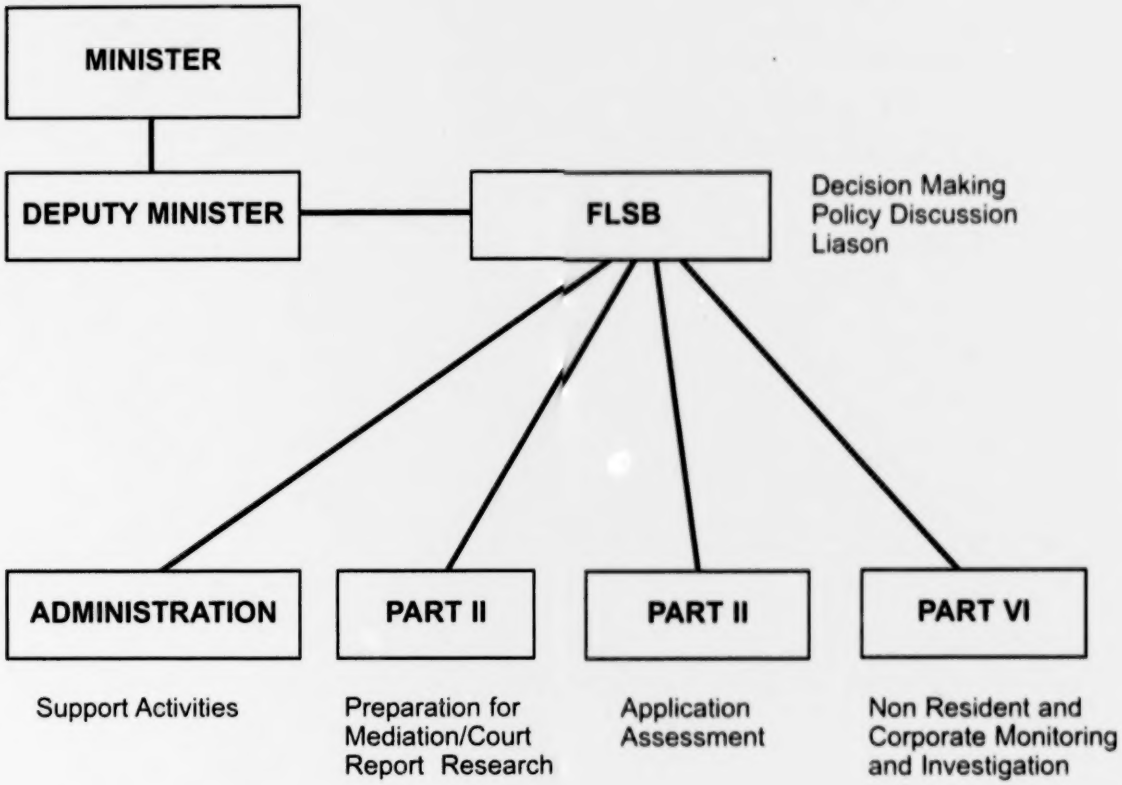
The Farm Land Security Board is mandated under Part II of the Act to oversee the process which occurs prior to a foreclosure action proceeding on farm land. The process is supportive.

The farm family in financial difficulty is provided the benefits of independent financial analysis and mediation. Ultimately, the Board's advice to court may influence the course of an application to commence foreclosure proceedings.

Part III, Home Quarter Protection, of the *Act* allows the Board to exclude a mortgage from Home Quarter Protection when it is "in the best interests" of the farmer. The Board, in doing so, does not take a narrow view of these interests but consults with the borrower on all aspects of the farm business.

Objectives of Part VI, Farm Ownership, are to deliver the mandate of preserving Saskatchewan farm land for ownership and operation by Canadian residents and entities while remaining open and sensitive to the broader needs and opportunities of our province. This is accomplished by its daily contact with agricultural producers, agricultural and non-agricultural corporations and non-residents.

Program Rationale, Governing Legislation and Organizational Structure



Members of the Farm Land Security Board in the 2003-2004 fiscal year were:

Leslie Belloc-Pinder, Chair
Bill Turner, Vice-Chair
Ferne Nielsen
Vic Bruce
Larry Kopan

The Board employs managerial and support staff in Regina as well as contractual Field Consultants located around the province.

Dan Patterson - General Manager
Dick Wellman - Manager, Home Quarter Protection and Farm Foreclosure
Jim Chernick - Manager, Farm Ownership

Program Objectives, Activities and Impacts

Part II Farm Foreclosures

Mandate:

Part II of *The Saskatchewan Farm Security Act* has the stated purpose "to afford protection to farmers against loss of their farm land." Before proceeding to court, the Act requires all lenders or writ holders to first provide notice to the farmer and to the Farm Land Security Board respecting their intention to foreclose. The Act provides a financial review and mediation mechanism to assist the parties' efforts to find a settlement. If mediation is not successful, the Act requires the Board prepare a report for the court which provides an opinion on questions stated in the Act, and any other matter the Board feels is relevant. The statutory period allowed for the above is 150 days.

The program helps farmers facing foreclosure by clarifying their financial situation and assisting them in understanding their legal rights and obligations. These activities help establish achievable expectations and objectives for farmers as they enter the mediation process.

The program was also designed to assist the court in its determination of whether allowing foreclosure to proceed would be "just and equitable." The Board's report to the court provides insight into the personal and financial circumstances of the farm family. As well, because some aspects of Home Quarter Protection legislation are linked to the Board's opinion in the report, important legal support for farm families hinges on the report's conclusions. The Act directs the court to give the report primary consideration.

Resources:

$373,700 is attached to the delivery of Parts II and III under the Act, exclusive of general administration overhead and Board meetings. 2.0 full-time equivalent employees and 30 contract field consultants work in these programs.

Objectives:

The primary objective of the program is to assist farmers facing foreclosure to understand and resolve their financial problems thereby keeping farmers on the land and in rural communities. An additional resulting benefit is to provide a fair and effective means of resolving farm financial difficulties without involving the court system.

Activities:

Field Analysis and Mediation Preparation

Following receipt of a Notice of Intention to Foreclose, the Board assigns the matter to a field consultant. It is the field consultant's responsibility to meet with the farm family to adequately prepare them for the mediation opportunity. This preparation includes a review and analysis of the farm family's financial situation. Discussions about their personal and financial situation and their legal rights and obligations occur. Through these discussions the field consultant helps the family establish goals for the mediation process and beyond. A financial report is produced and provided to the farmer, the mediator and the creditor. The consultant will accompany the farmer to the mediation meeting acting as a resource and a support for the family.

Program Objectives, Activities and Impacts

When the review and mediation activities do not find a suitable solution, the creditor may ask for the Board's report to the court. Upon receiving such a request, the Board (may meet with the parties involved in order to) prepare a report in accordance with the Act.

Impacts:
Since the program inception in 1985 the Board has dealt with 9,707 farms threatened by intended foreclosure. Intervention by the Board has avoided the court process in approximately 75% of these situations. Although repayment arrangements are not always achievable, leaseback and exit arrangements benefit some farm families. As well families have benefited from a supportive process. Further detail on the success of mediation can be obtained from the Dispute Resolution Services Annual Report.

NOTICES OF INTENT TO FORECLOSE RECEIVED BY THE FARM LAND SECURITY	
Fiscal Year	**Notices***
1993-1994	685
1994-1995	598
1995-1996	481
1996-1997	386
1997-1998	342
1998-1999	313
1999-2000	403
2000-2001	405
2001-2002	329
2002-2003	300
2003-2004	297

* Notices of Intent to Foreclose are submitted on a mortgage basis and mayinvolve more than one mortgage.

Program Objectives, Activities and Impacts

NOTICES OF INTENT TO FORECLOSE SERVED ON THE FARM LAND SECURITY BOARD BY CREDITORS						
Fiscal Year	**FCC**	**ACS**	**Credit Unions**	**Other**	**Chartered Banks**	**TOTAL**
1993-1994	221	103	198	36	127	685
1994-1995	196	154	139	27	82	598
1995-1996	112	196	89	34	50	481
1996-1997	91	155	75	32	33	386
1997-1998	107	83	78	24	50	342
1998-1999	108	43	91	27	44	313
1999-2000	174	27	103	41	58	403
2000-2001	179	18	94	25	89	405
2001-2002	76	31	99	27	96	329
2002-2003	120	8	69	22	81	300
2003-2004	105	16	89	43	44	297

Observations:

In the 2003-04 fiscal year notices received from the FCC and Chartered Banks decreased while notices from ACS, Credit Unions and Others increased. The category of "Other" includes agreements for sale and lending institutions that are considered "last resort". Such lenders will refinance higher risk situations but demand higher interest rates, finders fees and higher security margins. The static level of total notices does not reflect the depressed financial circumstances in much of the agriculture sector. The Board expects Notice levels to be at a higher level in the 2004-2005 fiscal year. Poor crop returns in 2003 and the impact of the BSE crisis on livestock revenues will likely affect lender collection activity in the upcoming fiscal year.

Program Objectives, Activities and Impacts

Court Reports

The Board's report to the Court provides comprehensive information to the Court, the farmer and the lender when the lender decides to proceed with a court application to foreclose.

Although the Board cannot always support a farmer's possibility of meeting his payments, it is usually evident that sincere and reasonable efforts have been made with the resources available.

PART II - COURT REPORTS INITIATED [a]				
FISCAL YEAR	PROVIDING OPINION	PROVIDING NO OPINION [b]	UNCONTESTED FORECLOSURE [c]	TOTAL [d]
1993-1994	166	36	34	236
1994-1995	69	34	9	112
1995-1996	75	20	4	99
1996-1997	55	40	9	104
1997-1998	62	32	8	102
1998-1999	66	57	1	124
1999-2000	58	29	5	92
2000-2001	101	42	4	147
2001-2002	84	30	7	121
2002-2003	74	33	8	115
2003-2004	60	34	2	96

a not all Court Reports initiated by lenders are issued to the Court
b Court Report issued when Board's assistance is declined by farmer
c reflects mediated arrangements required for legal purposes
d 4,299 Court Report requests have been received since January 1, 1985

Program Objectives, Activities and Impacts

Statistical Profile of Farms Receiving Notice of Intent to Foreclose:

Since program inception the Farm Land Security Board has kept a statistical profile of the farmers receiving Notices of Intent to Foreclose and attending mediation. During the 2003/2004 fiscal year, the following profiles were recorded. 2002/2003 profiles are in brackets.

Foreclosure Debt

Amount	% of Notices
< $ 20,000	13% (9%)
$ 20,000 - $ 50,000	22% (26%)
$ 50,000 - $100,000	27% (23%)
$100,000 - $200,000	21% (20%)
> $200,000	17% (22%)

Operator Age Range

Age	% of Notices
20 - 30	0% (0%)
30 - 40	18% (16%)
40 - 50	34% (42%)
50 - 60	28% (37%)
60 +	20% (6%)

Enterprise Type	
Mixed	40% (47%)
Grain	36% (33%)
Beef	11% (4%)
Other	13% (16%)

Farm Organization	
Sole Proprietorship	84% (86%)
Partnership	7% (5%)
Corporation	9% (9%)

Farm Dependents	3.9% (3.0%)
Home Quarter Involved in Foreclosure Notice	24% (34%)

Average Asset Level	$599,000	($735,000)
Average Debt Level	$339,000	($394,000)
Average Net Worth	$260,000	($341,000)

Observations:

As an indication of the amount of financial difficulty present in the farm economy, Notices of Intent to Foreclose do not present the entire picture. Other debt resolution is also undertaken by the federal Farm Debt Mediation Service, Bankruptcy Trustees and by lenders directly with their clients. In addition to the federal Farm Debt Mediation legislation the Farm Business Advisory Services program provides assistance to farmers meeting financial challenges.

The profile statistics for the 2003-2004 fiscal year reflect some interesting changes in the farmers affected by Notices of Intent to Foreclose. Notices were served on smaller balances of mortgage debt, the proportion of farmers over 60 years of age increased from 6% to 20% and the per cent of Notices involving a Home Quarter dropped from 34% to 24%. The significant drop in average levels of assets, debts and net worth is a reflection of the smaller farms receiving notices.

Program Objectives, Activities and Impacts

Part III - Home Quarter Protection

Mandate:

Home Quarter Protection has been a cornerstone of Saskatchewan farm protection legislation since the early 1940s. The protection stays the registration of a Final Order for Foreclosure as long as the farmer continues to live on the homestead. A farmer and a lender may co-apply to the Farm Land Security Board to have a mortgage excluded from this protection. The Board is empowered to exclude the mortgage from protection, when in the opinion of the Board, it would benefit the farmer. The program helps prevent farmers from unnecessarily attaching debt to their home quarter.

Resources:

Part II and III office and human resources are shared. (See Part II for more detail.)

Objectives:

The mandate of this Part is achieved by clarifying with farmers their security options and examining their ability to service the mortgage obligations. Before the Board will order a mortgage excluded from the protection, it must be convinced the farmer can repay the loan, and that other suitable security is not available. Additionally, it must be convinced that any aspect of a loan which appears uncharacteristic of typical lending practices has been fully discussed with the parties.

Activities:

Co-applications are reviewed by Board staff. Staff typically contact the farmer and the creditor as part of their review and may request additional information concerning the farm financial situation. Staff will analyse the farm budget and security options to establish that the loan is affordable and that more suitable security arrangements are not possible. In the most difficult situations the co-application is assigned to a field consultant. The consultant will meet with the farmer and the creditor to prepare a report for the Board.

A decision to refuse to exclude a mortgage from the protection only occurs after clear evidence that either the loan is not serviceable or that alternate satisfactory security options are available.

Rather than deny an application the Board will work with the parties to find acceptable alternatives. This results in a very low incidence of an application being denied.

Program Objectives, Activities and Impacts

PART III - APPLICATIONS RECEIVED	
Fiscal Year	Co-Applications
1988-1989	794
1989-1990	1328
1990-1991	1479
1991-1992	1415
1992-1993	1174*
1993-1994	810
1994-1995	896
1995-1996	833
1996-1997	1038
1997-1998	918
1998-1999	774**
1999-2000	562***
2000-2001	484
2001-2002	469
2002-2003	506
2003-2004	515
TOTAL	**13,995**

* Activity in the Home Quarter Protection area was affected by Farm Land Security Board initiated the legislative amendments respecting mortgages made solely for the purpose of home quarter purchase or improvement. The amendments removed such mortgages from the protection beginning in September 1992. This is reflected in the reduced number of applications received that fiscal year and in following years.

** A Class Exclusion involving non-farm rural residences was issued in December of 1998. This is reflected in the reduced number of applications received that fiscal year and in following years.

*** A Class Exclusion involving solely farmland purchases was issued in October of 1999. This is reflected in the reduced number of applications received that fiscal year and in following years.

Program Objectives, Activities and Impacts

PART III DISPOSITION OF APPLICATIONS TO WAIVE HOME QUARTER PROTECTION					
Fiscal Year	**Order Issued**	**Special Order Issued**	**Order Denied**	**Return / Withdraw**	**Total**
1992-1993	1,012	81	16	83	1,192
1993-1994	642	72	11	74	799
1994-1995	723	93	9	85	910
1995-1996	625	109	7	82	823
1996-1997	776	157	8	82	1,023
1997-1998	677	158	8	70	913
1998-1999	550	153	10	75	788
1999-2000	216	287	2	69	574
2000-2001	131	304	2	37	474
2001-2002	37	392	0	42	471
2002-2003	135	339	2	29	505
2003-2004	376	129	0	15	520

Impacts:

About one quarter of the applications are issued "Special Orders" where the exclusion order identifies and attaches explicit conditions. The condition may be for the creditor to release a home site from the mortgage if the loan fails, or to release the home quarter once the principal is reduced to a specified amount. Special orders also allow the Board to deal with mortgages which are not sum certain or loan specific. The special order avoids replacing or amending the mortgage.

During the 2002/2003 fiscal year the Board redrafted its exclusion order to make it more suitable for revolving credit loans, to improve administrative efficiency and to respond to the now common use of "All Purpose Collateral mortgages". (This type of mortgage encompasses all existing or future debt with the institution including operating or credit card debt). All purpose collateral mortgages will no longer be considered a "Special Order" unless the Board attaches an explicit condition.

This year arrangements were initiated to adapt the Board's approaches to new special loan products of a similar nature from FCC and the credit union system.

In today's environment of high farm debt and low operating margins the Board's activities have helped ensure that the debt obligations are serviceable when the homestead is involved. Its activities have also ensured more "farmer friendly" options for securing the debt have been implemented where possible. These activities have increased farmer knowledge of risk management and will contribute to the stability of rural communities in the future.

Program Objectives, Activities and Impacts

Observations:

The number of co-applications to waive Home Quarter Protection in the 2003/2004 fiscal year increased 7% which is similar to the increase seen in the previous year.

A review of the applications found 49% were for debt restructure vs 47% last year. Construction applications dropped to 8% from 12%. These are a reflection of a weaker agricultural economy in the 2003/2004 fiscal year.

A new Farm Credit Canada loan product contributed to an increase in the orders granted to home quarter mortgages supporting revolving credit.

Program Objectives, Activities and Impacts

Part VI - Farm Ownership

Mandate:

This legislation is designed to ensure that non-resident or corporate control of Saskatchewan farm land does not negatively affect the interests of resident producers or the economic and social development of the province.

Resources:

$77,800 was expended on the delivery of Part VI activities under the Act, exclusive of general administrative overhead and Board meetings. 1.4 full-time equivalent employees and one contract field consultant work in this program.

Objectives:

The Board seeks to preserve ownership and operation of Saskatchewan farm land by residents through ensuring compliance with farm ownership legislation. The Board also maintains an internal objective to remain current in the area of agriculture and land related issues. This contributes positively to its decisions regarding land ownership.

Activities:

Responsibilities of the Board include the granting or denial of applications for exemption or extension, issuing Orders for Divestment, recommending Court action for violation of the Act's provisions, and generally advising the government on farm ownership issues. Where individuals or corporations acquire or plan to acquire holdings which exceed that allowed by statute, the Board considers the interests of all affected parties in making its determinations. Staff assigned to this aspect of the program monitor all changes of title respecting agricultural land in the province. As well, corporate documents of land holding companies are reviewed to assess any changes in share structure that would result in non-resident individuals or non-agricultural corporations having an interest in farm land.

A. Activity Summary:

Staff investigated and processed applications for exemption and applications for extension in order to achieve compliance with the legislation. An application may result in the granting of more than one exemption. In addition, staff responded to personal or written inquiries.

Program Objectives, Activities and Impacts

B. Activity Detail:

The Board monitored changes of interest in rural land in the province by analysing and classifying raw data provided by Information Services. For the Board's purposes the initial analysis revealed 30,045 transfers totalling 3,796,032 acres during the 2003/2004 fiscal year.

The total number of transfers and in the previous year was 29,218; total acreage involved was 3,889,403 acres.

The following table illustrates the number of transfers in various categories of individuals and corporate entities. The data includes title changes such as registrations of joint ownership, corporate name changes and interim transfers to estates. Therefore, the total transfers do not equate to "new ownership" but reflect "title activity".

2003/2004 TRANSFER STATISTICS		
Address or Category of Transferee	**Number of Transfers**	**Acreage**
Saskatchewan	21,360	2,711,245
Canada	1,660	212,418
Foreign	196	25,960
Lending Institutions including Crown Lenders	81	11,858
Government (including non-lending Crown Corporations)	1,168	111,809
Corporations	5,561	722,742
TOTAL	30,045	3,796,032

The Farmland Security Board uses transfer information as a basis for its monitoring of dispositions and acquisitions by both individuals and corporations. The Board examines acquisitions by corporations and non-Canadian residents/citizens to ensure holdings are not acquired by those which are ineligible to hold land.

Program Objectives, Activities and Impacts

C. Applications for Exemption:

The Board has the authority to consider applications for exemption which, if approved, allow non-eligible individuals or non-agricultural corporations to have or acquire a land holding in excess of that allowed under the farm ownership provisions of *The Saskatchewan Farm Security Act*. Denials were primarily based on the Board's conclusion that the intended acquisition would be contrary to the longer term interests of Saskatchewan people. The following table summarizes the Board's activity in applications for exemption.

Program Objectives, Activities and Impacts

General categories have been developed for the requests for exemption the Board receives.

Purchaser Intending to Reside
The Board regularly considers exemption requests by non-residents who plan to move to Canada and are acquiring land in advance of their residency.

Intensive Livestock
Many intensive livestock enterprises are organized as limited partnerships or corporations that for the purposes of the Act require an exemption to hold more than 10 acres.

Commercial Development Many commercial undertakings require farm land to develop industrial plants, grain terminals and mining operations.

Investment - family and non-family support
In some cases residents have obtained assistance from non-residents to re-acquire their farms from financial institutions or have accessed capital to start a new farm venture.

Inheritance/Estate Planning To facilitate estate planning involving transfers of farm land to non-resident beneficiaries exemption requests are considered. Exemptions granted for this purpose generally corresponded with the five year period allowed for divestment in the Act.

Wildlife/Conservation Most organizations acquiring land for wildlife and conservation purposes must apply for exemption. Issues involving the acquisition of farm land to be idled by conservation organizations, most notably Ducks Unlimited Canada, continued to challenge the Board in balancing agricultural and wildlife interests.

Policy Coherence
Board practice has been to deal with some common land holding situations not meeting the provisions of the *Act* but consistent with the spirit of the *Act* by way of granting an exemption. For example Board practice has developed to equip small closely held corporations with the ability to hold land as if the land were owned in the individual names of the shareholders. Prior to the January 2003 amendments to the legislation Canadians outside Saskatchewan could acquire 320 acres while a corporation was limited to 10 acres. With the January 2003 amendments this type of exemption is no longer necessary. Another example has been the practice of allowing, by way of an exemption, a non-resident spouse to join a resident spouse on title.

Lender Extension
The *Act* provides that a lender may hold land acquired by way of foreclosure or quitclaim for two years. A lender must apply for an extension in order to hold land beyond this two year period.

Family Support
In some cases non-residents have aided residents to recover farm land lost to oreclosures or provided some other assistance for the benefit of residents which has required an ownership exemption.

Program Objectives, Activities and Impacts

EXEMPTION STATISTICS								
Exemption Category	Granted		Acres		Denied		Acres	
	'02-'03	'03-'04	'02-'03	'03-'04	'02-'03	'03-'04	'02-'03	'03-'04
Purchaser Intending to Reside	14	9	15433	13280	0	0	0	0
Border Farm	8	0	5560	0	0	0	0	0
Intensive Livestock	2	2	1270	310	0	0	0	0
Grain Farm	0	0	0	0	0	0	0	0
Ranching	0	0	0	0	0	0	0	0
Commercial Developments	7	4	986	650	0	0	0	0
Family & Non-Family Support	5	2	6689	1200	2	0	11198	0
Active Farming	3	0	640	0	0	0	0	0
Inheritance & Estate Planning	17	5	7040	2800	0	2	0	960
Wildlife & Conservation	26	28	19527	17623	3	0	480	0
Policy Coherence	14	1	4423	47	0	0	0	0
Lender Extension	2	1	960	11887	0	0	0	0
Total	98	52	62528	47797	5	2	11678	960

D. Applications for Extension

Financial institutions acquired a total of 11,858 acres through debt resolution during this fiscal year, as compared with 17,338 last fiscal year. A creditor acquiring agricultural land through the realization, quit claim, settlement or other disposition of its security, is permitted to retain that land holding for a period of two years. The Board has the authority to extend the two year period allowed creditors.

The preference of financial institutions is to divest of farm land they have recovered. They have generally been willing to cooperate with the Board in providing leasing arrangements, if necessary, for the farmers who gave up ownership of the land when land cannot be sold.

In the 2003/2004 fiscal year, the Board considered 1 request for extension received from financial institutions involving 11,887 acres. Additional time was granted for divestment of the property.

E. Enforcement Summary

No enforcement files were outstanding at the end of the 2002-03 fiscal year. During the 2003-04 fiscal year two were initiated with one resolved. At the end of the fiscal year one enforcement file was being pursued by the board.

Program Objectives, Activities and Impacts

F. Accomplishments

The computerization project which is storing file data on a computer data base is continuing. The Land Sales Database which provides land sales information to businesses and individuals is now accessible on the internet and generated $29,600 in revenue.

The integration of computerized integration of land transfer data from the reorganized land titles system with the Farm Ownership database is an ongoing project.

H. Observations

The 2003/2004 fiscal year was the first full year of activity under the amended Act. Although there are indications that acquisitions increased by out-of-province individuals and Canadian entities, the impact has not been dramatic. Economic factors, primarily the depressed farm economy and the BSE crisis undoubtedly tempered investment decisions.

Continued co-operation between the Board and the Immigration Advisory Unit of the Department of Government Relations and Aboriginal Affairs has served to facilitate farmers coming to Saskatchewan assisted through the Saskatchewan Immigrant Nominee Program. New farm immigrants was at a similar level this fiscal year to the previous year.

The amount of land acquired by credit institutions decreased about 30% this fiscal year. A surprisingly resilient land market, particularly in better quality soil areas, is supported by Farm Credit Corporation research which indicated a 1.2% increase in land values in the second half of 2003. Stable land values contribute to lower acquisitions by lenders in settlement of mortgage debt. The negative net incomes on many farms this year may affect both land values and lender acquisitions in the next fiscal year.

Land purchases by hunting and conservation organizations such as Ducks Unlimited Canada and The Nature Conservancy of Canada remained minimal due to the review initiated by the Board in 2002. Acquisition by Conservation Easement, particularly by NCC, were significant. These acquisitions did not remove the affected land from agriculture use or deprive producers control of the properties. It is anticipated that consultation over conservation acquisitions will move out to communities on some basis in the next fiscal year.

Program Objectives, Activities and Impacts

Revenue

During 2003/2004 a Notice Application Fee, Land Sales Data Fee and Farm Ownership Fee generated $104,200 in revenue and accounts receivable.

Revenues (thousand dollars)	2001/2002	2002/2003	2003/2004
Notice Application Fee and Accounts Receivable	72.3	71.8	70.8
Land Sales Data Fee and Accounts Receivable	41.6	29.1	29.6
Farm Ownership Application Fee and Accounts Receivable	5.6	3.2	3.8
Total	119.5	104.1	104.2

Continuing Land Sale Data web development and promotion reduced revenues in the 2003/04 fiscal year. Land Sales revenues are expected to increase to $35,000 - $40,000 in the 2004/2005 fiscal year.

Program Objectives, Activities and Impacts

Expenditures

A budget of $917,000 was provided to the Farm Land Security Board in the 2003/2004 fiscal year. Expenditures and accounts payable for the year were $796,400. The Board supervised a workforce of 7.4 Full Time Equivalent employees and 30 contract field consultants.

Expenditures (thousand dollars)	2001/2002		2002/2003		2003/2004	
Admin/Board						
Salaries	205.0		159.8		158.1	
Other Expenses	39.1		31.3		27.7	
		244.1		191.1		185.8
Part II/III*						
Salaries	94.0		95.4		97.4	
Other Expenses	279.1		247.8		261.7	
Accounts Payable	15.8		13.8		14.6	
		388.9		357		373.7
Part VI						
Salaries	91.0		76.6		76.4	
Other Expenses	4.8				1.4	
		95.8		79		77.8
Systems**						
Salaries	N/A		52.1		52.8	
Other Expenses	N/A		103.7		106.3	
		N/A		155.8		159.1
Totals						
Salaries	390.0		383.9		384.7	
Other Expenses	323.0		385.2		397.1	
Accounts Payable	15.8		13.8		14.6	
		728.8		782.9		796.4

* Part II/III includes ISC fees ($10,000).
** Systems includes ISC fees ($78,000) and Web development/maintenance ($12,500).